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DELHI PACIFIC MINES LIMITED

Annual Report



For the Year Ended December 31st, 1962

DELHI PACIFIC MINES LIMITED

OFFICERS

S. A. PERRY - - - - - *President*
HARLOW H. WRIGHT - - - - - *Vice-President*
G. D. PATTISON - - - - - *Secretary-Treasurer*
R. D. BELL - - - - - *Assistant Secretary-Treasurer*

DIRECTORS

R. D. BELL - - - - - Toronto, Ont.
G. H. HAWKER - - - - - Port Credit, Ont.
F. C. KNIGHT - - - - - Toronto, Ont.
G. D. PATTISON - - - - - Toronto, Ont.
S. A. PERRY - - - - - Toronto, Ont.
C. H. TAYLOR - - - - - Port Credit, Ont.
HARLOW H. WRIGHT - - - - - Toronto, Ont.

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE - Toronto, Ont.

AUDITORS

THORNE, MULHOLLAND, HOWSON & McPHERSON
Toronto, Ont.

TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA - Toronto, Ont.

HEAD OFFICE

Suite 405, 25 Adelaide Street West, Toronto 1, Ont.

DELHI PACIFIC MINES LIMITED

Suite 405, 25 Adelaide Street West
TORONTO 1, ONTARIO

To the Shareholders,
DELHI PACIFIC MINES LIMITED.

Your Directors submit herewith the financial statement of your Company for the year ended December 31st, 1962, with Auditors' Report thereon dated March 4th, 1963.

Recently, your Company, in partnership with McWatters Gold Mines, Limited, acquired a two-year working option on 24 claims comprising 2,400 acres in Malartic Township, northwestern Quebec, in the general vicinity of several producing gold mines.

The Companies, on a 50-50 expenditure basis, have commenced a program designed to explore three separate geological structures that traverse the optioned property which adjoins north and west of the property of the producing Malartic Hygrade mine. Line cutting and a geophysical survey, preparatory to geological mapping and diamond drilling, are underway to explore the probable extension of the Siscoe "K" fault which cuts the northeast portion of the property.

Diamond drilling is planned to explore the northwesterly extension of the favourable geological structure in which Camflo Mines is currently intersecting gold ore values. Drilling will also be done on the extension of the geological structure in which the adjoining Malartic Hygrade ore body occurs.

The principal exploration work by your Company in 1962 was conducted on the 25 claims held in the Indian House Region of New Quebec, about 125 miles north of Schefferville, Quebec. During the period from April 15th to June 30th, 1962, the property was investigated by geological and geophysical surveys and by rock trenching. Seven trenches excavated along the face of a scarp returned such samples as 1.16% copper across 59 feet; 4.23% copper over 25 feet; 0.54% copper over 74 feet; 1.13% copper across 8 feet, and 2.56% copper over 11 feet.

During the period July 12th to September 1st, 1962, a total of twelve diamond drill holes were completed for a total footage of 5,067 feet. Copper mineralization was encountered in all holes but of insufficient grade to indicate an economic ore body. Work was suspended and further exploration, in the opinion of consultants, is unwarranted at this time.

During 1962 your Company acquired 58 claims in Gaboury Township, northwestern Quebec, adjoining acreage held by McIntyre Porcupine Mines Limited where diamond drilling indicated a copper and nickel deposit. Delhi's ground was investigated by magnetic and electromagnetic geophysical surveys. The latter survey did not reveal any conductive bodies which could be interpreted to be caused by sulphide mineralization. Several magnetic anomalies were outlined, however, and the Company's consultants have recommended the property be geologically mapped and the magnetic anomalies be investigated by trenching and stripping to determine if disseminated sulphides occur.

The Company also acquired at a modest cost 103 mining claims in the Marshall Lake area of the Kowkash Mining Division, Ontario. These claims were acquired because of their favourable location in relation to other properties being actively explored by other mining companies within the general area. No exploration has been conducted on these claims by the Company pending results which may be obtained by others in the area.

The Company's investment in Nickel Corporation of America, Canadian Manganese Mining Corporation Limited and Delmico Mines Limited remained unchanged during the year.

Submitted on behalf of the Board of Directors,

S. A. PERRY,
President.

Toronto, Ontario,
May 28th, 1963.

DELHI PACIFIC

Incorporated under

Balance Sheet —

ASSETS

CURRENT ASSETS:

Cash	35,928.99	
Accounts receivable	10,100.00	46,028.99
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INVESTMENTS:

Investment in and advances to subsidiary companies (note 1)	411,643.62	
Investments in affiliated mining companies, at net cost (note 2)	679,864.30	
Other investment, at nominal value	1.00	1,091,508.92
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PARTICIPATION INTEREST IN OIL PROPERTIES, at cost less revenue to date		32,124.22
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FIXED ASSETS:

Sundry equipment, at estimated disposal value	1,500.00	
Mining claims, at the consideration given therefor consisting of 504,219 shares of the presently constituted capital stock valued at \$244,837.50 and \$88,210.00 cash	333,047.50	334,547.50
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DEFERRED CHARGES:

Exploration and development	361,916.86	
Organization and administration expenses	145,790.42	507,707.28
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		<u>\$ 2,011,916.91</u>

The accompanying notes are a

AUDITOR

To the Shareholders of
Delhi Pacific Mines Limited:

We have examined the balance sheet of Delhi Pacific Mines Limited as at December 31, 1962 and the results of its operations for the year ended on that date. Our examination included a general review of the accounting practices necessary in the circumstances.

In our opinion the accompanying balance sheet and related statements of contribution as at December 31, 1962 and the results of its operations for the year ended on that date are in accordance with that of the preceding year.

Toronto, Canada,
March 4, 1963.

MINES LIMITED

laws of Ontario

December 31, 1962

LIABILITIES

CURRENT LIABILITIES:

Account payable	452.34
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SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized, 3,000,000 shares, par value \$1.00 each

Issued, 2,050,000 shares (note 3)	2,050,000.00
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CONTRIBUTED SURPLUS	469,695.78
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2,519,695.78

DEFICIT	508,231.21	2,011,464.57
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Approved on behalf of the Board:

S. A. PERRY, Director.

G. D. PATTISON, Director.

\$ 2,011,916.91

integral part of this statement.

REPORT

For the year ended December 31, 1962 and the statements of contributed surplus, deficit and deferred charges for the year ended December 31, 1961, we have examined the accounting records and other supporting evidence as we considered necessary.

In our opinion, the contributed surplus, deficit and deferred charges present fairly the financial position of the company at the end of the year in accordance with generally accepted accounting principles applied on a basis consistent with the accounting principles followed by the company.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

DELHI PACIFIC MINES LIMITED

Notes to Financial Statement

Year ended December 31, 1962

1. The accounts of the subsidiary companies, Nickel Corporation of America and Associated Mining Corporation, have not been consolidated as they have been inactive except for exploration and development expenditures for which funds have been advanced by the parent company. The latter company is without assets and the investment therein has consequently been written down to a nominal value of \$1.00. The investment in and advances to these subsidiaries are as follows:

NICKEL CORPORATION OF AMERICA:

Investment, 300,000 shares acquired during 1957 and 1958 for a consideration of \$190,000.00 cash expended by the parent company on the development of mining claims in the State of Oregon owned by Nickel Corporation of America, and 400,000 shares of the company's capital stock (equivalent to 100,000 of the present shares) valued at 50¢ per share	390,000.00	
Advances	21,642.62	411,642.62
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ASSOCIATED MINING CORPORATION:

900,000 shares, at nominal value	1.00
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	<u>\$411,643.62</u>

2. Investments in affiliated mining companies consist of the following:

	No. of Shares	Book Value
Canadian Manganese Mining Corporation Limited (including 33,750 escrowed shares)	925,000	335,312.50
Delmico Mines Limited (including 553,847 escrowed shares)	1,291,885	344,551.80
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		<u>\$679,864.30</u>

At the balance sheet date shares of Delmico were quoted at 7¢ per share and there was no bid for shares of Canadian Manganese.

3. During the year capital stock was issued as follows:

	No. of Shares and Par Value	Discount	Net
For cash	450,000	312,500.00	137,500.00
For mining claims	400,000	280,000.00	120,000.00
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	850,000	\$592,500.00	<u>\$257,500.00</u>

The discount on shares issued during the year has been applied against contributed surplus.

DELHI PACIFIC MINES LIMITED

Statement of Deferred Charges

Year ended December 31, 1962

	Balance at beginning of year	Expenditures during year	Balance at end of year
EXPLORATION AND DEVELOPMENT:			
GENERAL:			
Government fees, licenses and taxes		1,010.87	
Insurance		50.30	
Engineering fees		225.00	
Miscellaneous		5.13	
	<u>1,215.10</u>	<u>1,291.30</u>	<u>2,506.40</u>
TEMAGAMI	166,839.21		166,839.21
ATHABASKA	87,469.68		87,469.68
MANEAST, BLIND RIVER	<u>43,976.06</u>		<u>43,976.06</u>
FORT MACKENZIE AREA, PROVINCE OF QUEBEC:			
Diamond drilling		29,545.30	
Surveys and reports		8,854.00	
Transportation and freight		6,780.19	
Consulting fees and expenses		3,712.50	
Engineering fees and expenses		584.30	
Trenching		5,218.28	
Line cutting		2,334.00	
Supplies		1,386.51	
Assays		963.85	
Wages		871.43	
Sundry		276.10	
		<u>60,526.46</u>	<u>60,526.46</u>
GABOURY TOWNSHIP, PROVINCE OF QUEBEC:			
Government fees and licences		320.38	
Consulting fees		200.00	
Transportation		78.67	
		<u>599.05</u>	<u>599.05</u>
NORCO PROJECT, BRITISH COLUMBIA:			
Transportation		105.75	
Sundry		14.35	
		<u>120.10</u>	
Less Transfer to deficit		120.10	
	<u>299,500.05</u>	<u>62,416.81</u>	<u>361,916.86</u>
ORGANIZATION AND ADMINISTRATION EXPENSES:			
Legal and audit		2,100.00	
Stock transfer expense		1,459.60	
Administration fee		3,650.00	
Listing fees and expenses		660.06	
Annual report		693.21	
Government fees and taxes		201.58	
Directors' fees		1,450.00	
Office expenses		66.30	
Publicity		246.88	
Sundry		10.00	
		<u>10,537.63</u>	
Deduct Interest earned		1,403.08	
	<u>136,655.87</u>	<u>9,134.55</u>	<u>145,790.42</u>
	<u>\$436,155.92</u>	<u>\$71,551.36</u>	<u>\$507,707.28</u>

DELHI PACIFIC MINES LIMITED

Statement of Contributed Surplus

Year ended December 31, 1962

Contributed surplus at beginning of year	1,062,195.78
DEDUCT Discount on shares issued during year (note 3)	592,500.00
CONTRIBUTED SURPLUS AT END OF YEAR	<u>\$ 469,695.78</u>

Statement of Deficit

Year ended December 31, 1962

Deficit at beginning of year	508,111.11
Expenditures on project abandoned	120.10
DEFICIT AT END OF YEAR	<u>\$ 508,231.21</u>